DeCA Planogram **Exchange Roundtable Report**

Military Market

MAGAZINE FOR THE MILITARY RESALE SYSTEM ARMY TIMES PUBLISHING COMPANY APRIL 1992 $6.00

00003744 5-DIGIT 20814
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PRODUCT TRAINERS:

Hands-on Service

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Military Market
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MILITARY MARKET (USPS 911-580): Published 12 times a year by the Army Times Publishing Co., Springfield, VA 22159-0210. Single copies: $6; except January, July issues: $15 each. Subscriptions: 1 year, $60 (outside U.S., $75); 2 years, $105 (outside U.S., $135); 1 year, outside U.S. via airmail, $225. Second class postage paid at Springfield, Va., and additional mailing offices.
POSTMASTER: Send address changes to Military Market Magazine, Circulation Department, Springfield, VA 22159-0215.

Military Market Index

COMMISSARIES		DECEMBER				YEAR-TO-DATE			
		CY '90	CY '91	PERCENT CHANGE	AVERAGE SALES	CY '90	CY '91	PERCENT CHANGE	STORES
CENTRAL	CONUS	$78.828	$70.498	-10.57	$1.719	$875.88	$818.078	-6.60	41
	OVERSEAS	391	372	-4.88	372	4.122	3.869	-6.13	1
	TOTAL	**79,219**	**70,870**	**-10.54**	**1,687**	**880,006**	**821,947**	**-6.60**	**42**
MIDWEST	CONUS	88.964	78.932	-11.28	1.879	988.504	923.265	-6.60	42
	OVERSEAS	0	0	–	0	0	0	–	0
	TOTAL	**88,964**	**78,932**	**-11.28**	**1,879**	**988,504**	**988,504**	**-6.60**	**42**
NORTHEAST	CONUS	73.750	65.298	-11.46	1.451	819.454	765.372	-6.60	45
	OVERSEAS	80	77	-3.31	77	839	788	-6.13	1
	TOTAL	**73,830**	**65,375**	**-11.45**	**1,422**	**820,293**	**766,160**	**-6.60**	**46**
SOUTHERN	CONUS	94.594	81.256	-14.10	1.693	1.051.066	981.699	-6.60	48
	OVERSEAS	5.667	6.602	+16.49	1.320	59.727	56.063	-6.13	5
	TOTAL	**100,261**	**87,858**	**-12.37**	**1,658**	**1,110,793**	**1,037,762**	**-6.57**	**53**
SOUTHWEST	CONUS	93.722	83.010	-11.43	1.596	1.041.377	972.649	-6.60	52
	OVERSEAS	0	0	–	–	0	0	–	0
	TOTAL	**93,722**	**83,010**	**-11.43**	**1,596**	**1,041,377**	**972,649**	**-6.60**	**52**
NORTHWEST/ PACIFIC	CONUS	23.171	21.540	-7.04	1.657	257.461	240.469	-6.60	25
	OVERSEAS	44.632	46.440	+4.05	1.080	470.361	441.508	-6.13	31
	TOTAL	**67,803**	**67,980**	**+0.26**	**1,214**	**727,822**	**681,977**	**-6.30**	**56**
EUROPE	CONUS	0	0	–	–	0	0	–	0
	OVERSEAS	60.119	61.056	+1.56	522	**633,581**	594.715	-6.13	117
	TOTAL	**60,119**	**61,056**	**+1.56**	**522**	**633,581**	**633,581**	**-6.13**	**117**
TOTAL COMMISSARIES	CONUS	$453.030	$400.534	-11.59	$1.662	$5.033.745	$4.701.532	-6.60	241
	OVERSEAS	$110.869	$114.547	+3.30	$686	$1.168.631	$1.096.943	-6.13	167
	TOTAL	**$563,919**	**$515,081**	**-8.66**	**$1,262**	**$6,202,376**	**$5,798,475**	**-6.51**	**408**
GROCERY STORES	*U.S. 1*	*$30.448bil.*	*$29.873bil.*	*+2.13*	–	*$339.743bil.*	*$347.229bil.*	*+2.20%*	–

EXCHANGES		DECEMBER			YEAR-TO-DATE		
		CY '90	CY '91	PERCENT CHANGE	CY '90	CY '91	PERCENT CHANGE
AAFES	CONUS	$465.129	$464.100	-0.22	$4.146.163	$4.304.026	+3.81
	OVERSEAS	320.880	289503	-9.78	3.059.391	3.104.123	+1.46
	TOTAL	**786,009**	**753,603**	**-4.21**	**7,205,554**	**7,408,149**	**+2.81**
MAIL ORDER	CONUS [2]	2.353	1.674	-28.86	15.455	18.090	+17.05
	OVERSEAS [2]	4.170	2.805	-32.73	30.832	30.573	-0.84
	TOTAL [2]	**6,523**	**4,479**	**-31.34**	**46,287**	**48,663**	**+5.13**
NAVY	CONUS [3]	170.072	170.321	+0.15	1.387.198	1.414.746	+1.99
	OVERSEAS [3]	74.366	79.128	+6.40	617.282	641.167	+3.87
	TOTAL [3]	**244,438**	**249,449**	**+2.05**	**2,004,480**	**2,055,913**	**+2.57**
MARINES CORPS	CONUS	42.327	45.992	+8.66	389.668	408.896	+4.93
	*OVERSEAS	6.465	8.236	+27.39	47.318	67.512	+42.68
	TOTAL [2]	**48,792**	**54,228**	**+11.14**	**436,986**	**476,408**	**+9.02**
COAST GUARD	CONUS [4]	10.675	11.966	+12.09	117.319	119.667	+2.00
	OVERSEAS	782	792	+1.28	8.824	9.023	+2.26
	TOTAL [2]	**11,457**	**12,758**	**+11.36**	**126,143**	**128,690**	**+2.02**
ALL EXCHANGES	CONUS	$690.556	$694.053	+051	$6.055.803	$6.265.425	+3.46
	OVERSEAS	$406.663	$380.464	-6.44	$3.763.647	$3.852.647	+2.36
	TOTAL	**$1,097,219**	**$1,074,517**	**-2.07**	**$9,819,450**	**$10,117,823**	**+3.04**
DEPARTMENT STORES	*U.S. [1]*	*$17.533bil.*	*$18.199bil.*	*+3.80*	*$144.541bil.*	*$176.659bil.*	*+3.51%*

Note: Distribution of sales by CONUS and overseas is based on definition by respective region. Figures do not include sales tax. Figures in thousands unless otherwise indicated. 1) Source: U.S. Department of Commerce. 2) MM estimate, based on official data. 3) Includes consolidated sales for all services, including Coast Guard. 4) Does not include sales of ships stores. *Marine Corps 1990 November overseas figure does not include Camp Butler, Okinawa. NOTE: Individual figures may not add to totals because of rounding. All sales are expressed in thousands (000), except grocery stores and department stores, which are in billions. Commissary sales include appropriate surcharges; exchange sales include concession volume. Distribution of sales by ConUS and overseas is based on definition by respective service and system.

OVERSEAS "TOP 100" VENDOR LIST

The following is an index of the 100 leading suppliers of brand name goods to overseas commissaries during FY 1991.

The index includes the payments made to name-brand manufacturers as well as the direct payments made to brokers, when those brokers act as principals.

All information was furnished to MILITARY MARKET by the Defense Personnel Support Center.

1 —	Procter & Gamble	$11,456,367	**51 —**	Continental Baking	843,408
2 —	Philip Morris	9,327,151	**52 —**	White Dairy Ice Cream	837,561
3 —	Kraft Inc.	8,661,461	**53 —**	United Foods Inc.	836,250
4 —	Calpac Assoc.	4,520,427	**54 —**	Clorox	781,585
5 —	General Foods	4,490,921	**55 —**	Ragu Foods	773,862
6 —	Oscar Mayer	4,490,921	**56 —**	ITT Gwaltney	758,501
7 —	Campbell Soup	3,307,433	**57 —**	Colgate Palmolive	753,978
8 —	Tasty Bird	3,128,608	**58 —**	Conagra Poultry	750,808
9 —	Reynolds Tobacco	3,003,216	**59 —**	Ralston Purina	733,787
10 —	Nabisco Brands	2,884,825	**60 —**	Clearfield Cheese	731,825
11 —	Quaker Oats	2,852,872	**61 —**	Starkist Foods	729,105
12 —	Kimberly Clark	2,803,888	**62 —**	VIP Sales Co.	715,846
13 —	General Mills	2,771,387	**63 —**	Sara Lee Corp.	709,054
14 —	Frito-Lay	2,665,159	**64 —**	Carnation	702,708
15 —	Kellogg	2,553,728	**65 —**	Bev. Food & Service	694,466
16 —	Brown & Williamson	2,385,561	**66 —**	Monarch Crown	680,962
17 —	Swift-Eckrich	2,268,881	**67 —**	Coca Cola Export	680,748
18 —	Hormel	2,107,099	**68 —**	Rockingham Poultry	677,381
19 —	Del Monte	2,014,384	**69 —**	Stouffer Foods	669,497
20 —	Pillsbury	1,982,472	**70 —**	Vlasic Foods	640,879
21 —	Conagra Frozen Foods	1,908,749	**71 —**	S.C. Johnson	606,133
22 —	Washington Beef	1,903,942	**72 —**	Ore Ida Foods	579,265
23 —	Hershey Foods	1,878,106	**73 —**	Gortons Group	554,273
24 —	Lever Bros.	1,876,701	**74 —**	Seneca Foods	517,294
25 —	Planters/Lifesavers	1,769,406	**75 —**	Dow Chemical Co.	510,710
26 —	Johnson & Johnson	1,464,621	**76 —**	Union Carbide	505,914
27 —	AGS Foods	1,422,552	**77 —**	Van Camp Seafood	503,215
28 —	Amstar Corp.	1,351,446	**78 —**	Facciola Meat Co.	500,724
29 —	Lipton	1,306,966	**79 —**	Ocean Spray	483,549
30 —	Mars Inc.	1,301,875	**80 —**	Land-O-Lakes	474,374
31 —	Hunt Wesson Foods	1,287,112	**81 —**	Liggett & Myers	458,070
32 —	Coca Cola Co.	1,256,818	**82 —**	Reckitt & Colman	455,832
33 —	Centre Brands	1,128,615	**83 —**	John Morrell	452,657
34 —	Keebler	1,110,642	**84 —**	H.J. Heinz	445,776
35 —	Bristol Myers	1,066,670	**85 —**	Japan Food Corp.	415,552
36 —	Abbott Labs	1,043,421	**86 —**	Mrs. Smith's Foods	397,682
37 —	Gerber	1,026,513	**87 —**	J.M. Smucker	395,875
38 —	Hi Pac Inc.	1,007,027	**88 —**	Sunshine Biscuit	394,545
39 —	Nestle/Hills	980,524	**89 —**	Borden Inc.	392,925
40 —	James River	978,279	**90 —**	Sargento Cheese Co.	382,359
41 —	CPC Intl. Inc.	967,465	**91 —**	Gillette Co.	366,090
42 —	Natl. Industries for Blind	940,503	**92 —**	Mennen Co.	365,511
43 —	Amer. Home Products	934,180	**93 —**	Curtice Burns Inc.	349,275
44 —	Rich Seapak Corp.	917,120	**94 —**	Reynolds Metals	340,756
45 —	Sterling Products	889,348	**95 —**	Lykes Pasco Pkg. Co.	339,389
46 —	Singleton Pkg. Corp.	883,496	**96 —**	Foodways National	331,573
47 —	All American Gourmet	871,299	**97 —**	Alder Food Distribution	330,217
48 —	Scott Paper	860,145	**98 —**	Carl Buddig & Co.	327,604
49 —	Bar-S Foods	851,450	**99 —**	Mobil Chemical Co.	324,757
50 —	Dial Corp.	844,357	**100 —**	Van Den Bergh Foods	321,111

Market Report

Toiletries & Cosmetics: Luxury as Staple

By Tim Boivin, Associate Editor

Prestige lines powered a surge last year for exchange sales of toiletries and cosmetics.

All three Defense Department exchange systems posted increases in their toiletry and cosmetic sales during FY 1991, according to early figures provided to MILITARY MARKET. The recession, troop drawdowns, and base closures all had little effect on a category that rode the introduction of prestige fragrances to a bullish year.

"In a tight economy where dollars are limited, prestige fragrances are still a very affordable luxury," said Sandi Heppenheim, vice president-international for Calvin Klein. "It is a luxury that provides personal enhancement and gives us time in this hectic world to do something just for ourselves that feels good."

The Marine Corps posted the greatest percentage gain of the three systems — up 13.1 percent to $8.99 million. AAFES is projecting a FY 91 sales increase of 10.5 percent, to almost $188.92 million. And NEXCOM projects sales of $33 million, up 4.8 percent over the previous year.

Exchange buyers and fragrance houses together identified several factors besides the introduction of prestige lines as spurring the sales increase for the toiletries and cosmetics category. The hot trends include a movement from synthetic products toward natural products, and more ethnic lines being introduced by mainstream companies.

Anna Ransom, AAFES' senior buyer for health and beauty aids and toiletries and cosmetics, said cosmetic consumers are a fickle breed right now.

"The female of the '90s is young at heart, vibrant, sexy, better-informed, eating better, and exercising more," Ransom said. "She expects innovative quality products with realistic claims that work. Cosmetic companies are concentrating on this trend and are offering more multi-function products."

Ransom told MILITARY MARKET that products addressing these benefits include creams, lotions, lipsticks and makeup with treatment benefits and sun screens. She also said companies are concentrating on introducing nail enamels that wear and shine better and dry faster.

For example, Revlon is offering a Custom Eyes eyeshadow with a built-in shadow base. Almay's Moisture Tint Sports Formula Makeup, claiming to be waterproof, provides sunscreen protection while offering a light, natural cover.

"Multi-function products save time, and that's what the '90s woman is most in need of," said Mary Grace Alfaro, retail services manager in government sales for Revlon.

THE POWER BEHIND THE SURGE

Despite drawdowns, base closings and a myriad of economic woes, the "luxury" of prestige toiletries and cosmetics lines powered increased category sales in each of the three DoD exchange systems.

AAFES	*1991 — $188,917,000*	
	1990 — $170,974,000	
	10.5 percent overall sales increase	
NEXCOM	*1991 — $33,000,000**	
	1990 — $31,484,921	
	4.8 percent overall sales increase	
MARINES	*1991 — $7,954,000*	
	1990 — $8,994,022	
	13.1 percent overall sales increase	

* denotes estimate, final 1991 sales figures unavailable

OBTAINING PRESTIGE LINES

But it is the explosion of prestige lines onto the exchange scene, new in the 90s, that has kept toiletries and cosmetics strong.

In AAFES in 1991, the top five sellers in women's prestige fragrances were Giorgio Red, Eternity, Estee Lauder's Beautiful, Calvin Klein's Obsession, and Red Door. In NEXCOM, they were Giorgio Red, Lauder's Beautiful, Red Door, Eternity, and Lauder's White Linen.

For men's prestige fragrances, the top five in AAFES were Klein's Obsession for Men, Eternity, Drakkar Noir, Polo, and Lagerfeld. In NEXCOM, they were Drakkar Noir, Eternity, Obsession, Polo, and Lagerfeld.

"I think prestige fragrance is doing well in the military because the military customer is just like every other customer in the world; they want to spend their money on the best value and quality their dollars can buy," said Calvin Klein's Heppenheimer.

AAFES' Ransom said her most significant accomplishment of the year was expanding the Estee Lauder and Lancome cosmetics and fragrances into ConUS exchanges, and adding Clinique cosmetics to six overseas stores. The Fragrance Foundation recognized this accomplishment when it made AAFES its Retailer of the Year, giving the agency the 1991 Fifi Award for its efforts in merchandising fragrances.

(Continued, page 72)